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October 19, 2020

Board of Directors  
Co-Diagnostics, Inc.  
2401 S. Foothill Drive  
Salt Lake City, UT 84109

Re: *Demand to Take Legal Action Pursuant to Utah Law*

Dear Sir or Madam:

We represent Matthew Wallace, a beneficial owner of 300 shares of common stock of Co-Diagnostics, Inc. (“Co-Diagnostics” or the “Company”). Mr. Wallace has owned his Co-Diagnostics stock continuously since February 2020. This letter shall serve as our client’s demand to take legal action against all persons for the breaches of fiduciary duty set forth below. Proof of his stock ownership is attached hereto as Exhibit A.

As you know, Co-Diagnostics develops molecular tools for detection of infectious diseases, liquid biopsy for cancer screening, and agricultural applications, primarily using its proprietary Co-Primer technology.

In the wake of the Covid-19 pandemic, the Company used its Co-Primer technology to develop a diagnostics test—within one week, according to public reports. On February 24, 2020, Co-Diagnostics became the first U.S. company to receive European regulatory approval to sell its Covid-19 test kit, and on April 6, 2020, the Company was the first to receive regulatory approval from the U.S. Food and Drug Administration (“FDA”) for Emergency Use Authorization, allowing the tests to be used by certified clinical laboratories in the U.S.

In the following weeks, the Company’s officers touted test as being “100% accurate.” When *The Salt Lake Tribune* questioned the accuracy of Co-Diagnostics’ tests in an article on April 30, 2020, the Company’s Chief Technology Officer, Dr. Brent Satterfield, dismissed the concerns and reassured that the tests were between 99.52% and 100% accurate in unspecified FDA and European studies. When public criticism mounted, Co-Diagnostics’ officers doubled down and claimed the tests were 100% accurate. For example, on May 1, 2020, the Company issued a press release in which Dr. Satterfield was quoted as saying “[W]e have consistently and repeatedly achieved 100% clinical sensitivity and specificity and you can’t do better than that.”

However, the truth began to emerge on May 14, 2020, when *The Salt Lake Tribune* reported that TestUtah.com, which used Co-Diagnostics’ tests, “declined to join other major Utah labs in a joint experiment to confirm one another’s test quality.” The article disclosed that Co-Diagnostics’

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tests “have a higher ‘limit of detection’—that is, they require more of the virus to trigger a positive result—than most other coronavirus tests approved for sale in the U.S.” As a result, the Company’s tests were likely to have a higher false negative reporting rate. The same day, the FDA underscored: “No test will be 100% accurate due to performance characteristics, specimen handling, or user error . . . .”

Then, on May 20, 2020, statistician Zhiyuan Sun wrote an article<sup>1</sup> identifying details in the Company’s studies and further casting doubt on Co-Diagnostics’ claims of a 100% accurate test. For example, he stated that one of the studies had a sample size of only 200 patients and that “[w]ith a sample size that small, a low error rate, say 1% to 2%, could be really hard to detect.” He also pointed out that “the study itself explicitly stated that the test could in fact be 96% to 98% effective, rather than 100%.”

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Demand is hereby made that the Board investigate whether any of Co-Diagnostics’ officers and directors committed non-exculpable breaches of fiduciary duties or other violations of applicable law in connection with the allegations herein.

We note that many members of the current Board do not appear disinterested and independent for the purposes of considering or responding to this demand letter. We urge the Board to conduct an independent and disinterested investigation of the allegations herein as it is required to do under Utah law.

Please confirm receipt of this letter and the measures that you plan to take to address the harm inflicted upon Co-Diagnostics as a result of the actions and omissions alleged.

Regards,

s/Benjamin I. Sachs-Michaels  
Benjamin I. Sachs-Michaels

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<sup>1</sup> Zhiyuan Sun, “Is Co-Diagnostics’ Stock in a Bubble?” *Motley Fool*, (May 20, 2020). <https://www.fool.com/investing/2020/05/20/is-co-diagnostics-stock-in-a-bubble.aspx>

# Exhibit A

Investment Detail - Equities						
Equities	Quantity	Market Price	Market Value	% of Account Assets	Unrealized Gain or (Loss)	Estimated Annual Income
	Units Purchased	Cost Per Share	Cost Basis	Acquired	Holding Days	Holding Period
CO DIAGNOSTICS INC SYMBOL: CODX	872,0000	13.59000	11,850.48	38%	(3,116.07)	N/A
	300,0000	18.4202	5,526.06	02/27/20	(1,449.06)	216 Short-Term
	227,0000	17.5407	3,981.74	05/29/20	(896.81)	124 Short-Term
	95,0000	21.0000	1,995.00	08/13/20	(703.95)	48 Short-Term
	250,0000	13.8950	3,463.75	09/11/20	(66.25)	19 Short-Term
Cost Basis			14,966.05			